GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:17
ANSWERED ON:26.02.2007
HIKE IN PRICES OF MILK AND MILK PRODUCTS
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether there is a huge gap between the demand and supply of milk and milk products in the country;

(b) if so, the details thereof during each of the last three years and the current financial year;

(c) the reasons therefor and the action taken to meet the shortage;

(d) whether the milk and milk products prices have been hiked recently;

(e) if so, the number of times Mother Dairy and Delhi Milk Scheme increased the prices of milk and the milk products during the said period alongwith the reasons therefor; and

(f) the steps taken to control the prices?

Answer

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a)to(f): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.17 TO BE ANSWERED ON 26TH FEBRUARY, 2007.

(a)to(c): No, Sir. The milk production at the national level is by and large sufficient to meet the domestic demand of milk and milk products. Moreover, there is no authentic data on demand and supply of milk and milk products in the country as major portion of the milk produced in the country, i.e. about 85% is handled by unorganized sector. The statement indicating the milk production during the last three years and current year is as under:-

Year	Milk Production (Million Tonnes)	% Growth
2003-04	88.1	2.20
2004-05	92.5	4.99
2005-06	97.1	4.97
2006-07 (projection)	100.0	2.98

(d)to(e): Due to high price of milk powder in international market, there was an increase in export of Skim Milk Powder (SMP) during 2005-06 and the trend continued during the year 2006-07, resulting in the increase in domestic prices of milk and milk products. Mother Dairy and DMS increased the price of milk by Re.1 per litre each time for all categories of milk and the prices of Ghee were increased from Rs.5 to 10 per litre and that of Butter, from Rs.2 to 20 per Kg. during different revisions. Mother Dairy and DMS increased the prices of milk and milk products in order to maintain viability of their operations.

Number of times Mother Dairy and DMS increased the prices of milk and milk products during last three years and the current financial year is given below:

Organizations	Year	Tonned milk	Double tonned cream milk	Full milk	Ghee	Table butter

Mother Dairy	2003-04	2	3	3	-	1
	2004-05	-	-	-	2	1
	2005-06	1	1	1	1	-
	2006-07	2	2	2	-	2
DMS	2003-04	-	-	-	-	-
	2004-05	1	1	1	-	-
	2005-06	1	1	1	1	2
	2006-07	2	2	2	1	2

(f): i) The Government of India has prohibited the export of milk powder w.e.f. 9-2-2007 including Skim Milk Powder, Whole Milk Powder and Milk Food for babies etc. which will remain in force till 30th September 2007.

ii) Cabinet Committee on Prices had approved a buffer stock of 10,000 MT of SMP to be imported by agencies designated by Government of India for import under Tariff Rate Quota (TRQ). This quantity would attract the duty of 5% as against 15% under TRQ to be imported.